

no railways to employ his staff upon, and with the prospect of inevitable delay in negotiating any contract at all.

10. Making the best he could of the circumstances, Mr. James Brogden ultimately arranged with the Government to take contracts for the construction of the following railways—viz., the Auckland to Mercer; the Napier to Pakipaki; the Wellington to Hutt Valley; the Picton to Blenheim; the Dunedin to Clutha; the Invercargill to Maitara; the Waitara to New Plymouth; and the Oamaru to Moeraki. But none of these contracts were executed until June, 1872.

11. These contracts, which amounted together to £793,107, were let to the memorialists (*conformably to the recommendation of the House of Representatives*) at agreed prices, and without being put up to public competition. But, though not submitted to public competition, the prices of the contracts granted were fixed by Mr. Carruthers, the Government Engineer, whose testimony (contained in the report referred to in paragraph 25 thereof) is that the prices were settled principally upon the rate paid for other works; that they allowed for increase to some slight extent upon the then current rates for labour; that no allowance was made nor was it taken into consideration that the Contractors were about to import labour into the colony; that it was not expected they would have to do so, because it was understood at the time that the Government were going to import a great many immigrants, whose importation would be sufficient to keep prices down to prevailing rates, and that no allowance was made to the memorialists for any loss that might fall to them by the introduction of immigrants by them. In point of fact, the granted contracts had no reference whatever to any scheme of immigration.

12. On 20th August, 1872, the Minister (the Hon. Mr. Ormond), addressing the House of Representatives, observed, with reference to these new contracts, "that the most careful consideration has been given by the Government to this subject; that the settlement of these contracts has only been effected after long, minute inquiry, and in conformity with the advice of the Engineer-in-Chief, given after careful investigation. * * *

That the prices at which Messrs. Brogden have contracted to construct these railways are fair and reasonable." And that, "when the difficult nature of the country through which these railways have to be carried, together with the largely increased price of iron, is considered, it will be allowed that the cost at which these railways are to be constructed and equipped—namely, an average of £4,865 per mile—will compare most favourably with the cost of similar works in any other country in the world." (*See "Parliamentary Debates," 2nd Session of 5th Parliament, page 541.*) And on 28th August, 1872, the Hon. the Colonial Treasurer, in an elaborate address to the House, further vindicated the fairness and reasonableness of the prices of these contracts, and expressed his conviction that the railways contracted for would be obtained "cheaper than they have been constructed in any other country in the world." (*See the same "Parliamentary Debates," page 738.*)

13. But, during the consideration of these contracts, and as an entirely independent subject-matter of treaty, the Government, who were deeply interested in securing a large addition to the labouring population of the colony, strongly pressed upon the memorialists a negotiation for the importation of immigrants by them.

14. That this was a matter of great interest to the Government is amply testified by an article dated 17th January, 1875, contributed by the Colonial Treasurer (then Prime Minister) to "Fraser's Magazine," in London, and in which he says, "In the United States, I believe, every immigrant is held to be worth £200. It is generally considered in New Zealand that this is the reverse of an excessive estimate. Large as is the number already introduced into the colony, my latest advices urge the demand for more." The great need of immigrants in the view of the Government is also strongly impressed upon the Agent-General for the colony in England by the Minister for Public Works, in that Minister's letter of the 25th November, 1871. (*See Parliamentary Paper, 1872, D., No. 1, page 8.*)

15. The negotiation with the memorialists relative to immigration was in consequence of the urgent want thus expressed. It was initiated by the Government, and pressed upon the memorialists. To a certain point it was carried on in the colony between the Hon. the Minister for Immigration and the memorialist James Brogden, but being deemed by the latter an affair of too much importance and devolving upon him too great a degree of responsibility to be undertaken without the concurrence of his partners, it was, in November, 1871, relegated to the Agent-General for the colony in England, on the part of the Government (*see Parliamentary Paper, 1872, D., No. 1, page 10*), and to the partners of your memorialists' firm resident in England, on behalf of the firm.

16. On receipt by the Agent-General of his despatches from the colony on this subject, he opened a communication upon it with the memorialists Alexander and Henry Brogden, who were then without any advices from the memorialist James Brogden concerning it. Long negotiations followed, and the result was that, on faith of the assurances referred to below, an instrument, dated the 27th of June, 1872, and expressed to be made between the Governor of New Zealand by the Agent-General of the one part, and the memorialists of the other part, was executed by the Agent-General on behalf of the Governor, and by the memorialists by the hands of Alexander and Henry Brogden. This instrument is fully set forth in the Parliamentary Paper, 1872, D., No. 19b, and it purports that the memorialists will send out such a number, not exceeding two thousand able-bodied men, besides wives and children, as the Agent-General shall require; that the Agent-General will cause them to be conveyed to the colony, and the Governor will make all payments in respect of their conveyance; that the Governor will deal with them on their arrival in as beneficial a manner as other immigrants are received and dealt with on behalf of the Governor on arrival in the colony; that the memorialists will repay the Governor £10 in respect of every such adult immigrant, and to be secured, with interest, by joint and several promissory notes of the memorialists in a given form, and with liberty to the Governor to deduct the amount of any due notes from any moneys payable by him to the memorialists in respect of any railway or works executed by them; and that the memorialists might take from every adult immigrant a promissory note for a sum not exceeding £15, in payment of that for which payment was to be made to the Governor, and to cover the risk of non-payment of such sum.

17. The scheme embodied in this instrument of the 27th June, 1872, was accepted by the memorialists Alexander and Henry Brogden entirely at the instance and upon the faith of the representations of the Agent-General, who from time to time communicated to them the urgent